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OFFICIAL MEMORANDUM
RESPECTING THE POSITION AND PROSPECTS OF
THE CANADIAN PACIFIC RAILWAY.

The Canadian Pacific Railway Company was incorporated in February, 1881, by Letters Patent under the Great Seal of the Dominion, for the purpose of constructing a line of Railway connecting the seaboard of British Columbia, on the Pacific Ocean, with the Railway system of Canada, and of operating the same for ever.

The Charter conferred large powers on the Company, including the right of constructing branches along the entire length of the line, establishing lines of ships or steamers at its termini, and of constructing and working telegraph lines as well for public business as for the use of the Company.

The Charter was granted in furtherance of a contract previously made with the Government on behalf of the Company; and, under the authority of a statute of the Dominion Parliament by which the contract was confirmed. And in consideration of the completion and perpetual operation of the railway as stipulated in that contract, the Government of the Dominion granted to the Company a subsidy of \$25,000,000, and twenty-five million acres of land all fit for settlement.

The Government further granted to the Company the use of over 200 miles of finished road, and of about 500 miles more now in course of construction, the ultimate cost of which is estimated at over \$30,000,000, to become the absolute property of the Company upon the completion of the main line.

The authorized capital of the Company is \$25,000,000, of which \$5,000,000 have been subscribed and all paid up in cash, except the last instalment of 20 per cent, which is called up and payable on the 17th February next.

Under its Charter the Company can issue Preference Stock to an amount not exceeding \$10,000 per mile of its main line and branches. It is also authorized to issue Land Grant Bonds to the amount of \$25,000,000, secured by mortgage on its entire Land Grant. And it may issue Mortgage Bonds to an extent not exceeding \$10,000 per mile on its whole line of railway constructed or acquired.

Under these powers the Company has executed a mortgage on its entire land grant securing the issue of \$25,000,000 of land grant Bonds, bearing interest at 5 per cent. But it is not the present intention of the Company to avail itself of the power to issue Bonds secured by mortgage on the Railway, its revenues or franchises, although it retains the power and right to do so at any time: the Directors believing that all the additional capital required for the completion, and for the first equipment of the line, will be obtained by the issue of its Land Grant Bonds and of its ordinary and preferred shares, thus placing the line of the Canadian Pacific Railway in the exceptionally advantageous position of being free from bonded debt.

THE MAIN LINE.

The present eastern termini of the road are the city of Ottawa, the capital of the Dominion, and the town of Brockville, on the St. Lawrence. The line thence to Lake Nipissing, a total mileage of about 290 miles, was acquired by purchase.

From Lake Nipissing, where the Canadian Pacific proper begins, to Thunder Bay, on Lake Superior, a distance of about 650 miles, the line is partly under construction; and, it having been all but finally decided to locate it by way of Sault Ste. Marie, skirting the waters of Lake Superior to Thunder Bay, it is confidently expected that this whole section will be completed within the next five years.

From Thunder Bay to Winnipeg, a distance of about 425 miles, the line is under construction by the Government, and completion is promised by September next.

From Winnipeg west to the Rocky Mountains, a distance of about 800 miles, the line is completed for nearly 200 miles; and the remaining 600 it is hoped will be completed and in operation by the end of next year.

From the foot of the Mountains to Kamloops—a distance of about 450 miles, approximately—the line is being surveyed, with good prospects of a shorter and better location being found than by way of the Yellow Head Pass.

From Kamloops to Port Moody—a distance of about 220 miles—the line is being constructed by the Government, and will be ready for operation within four years.

In addition to the main line there is a branch in operation from Winnipeg to Pembina, 65 miles in length, connecting at the International boundary line with the railway system of the United States.

RECAPITULATION.

	Miles.
From Brockville and Ottawa to Lake Nipissing.....	290
From Lake Nipissing to Thunder Bay.....	650
From Thunder Bay to Winnipeg.....	425
From Winnipeg to the Rocky Mountains.....	800
From the Rocky Mountains, to Kamloops.....	450
From Kamloops to Port Moody on the Pacific.....	220
Pembina Branch from Winnipeg to Pembina.....	65
	<hr/>
	2900

Of this total mileage the following portions built, or to be built by the Government, and conveyed by it absolutely to the Company, on the completion by the latter of its contract for building the remainder of the line,

	Miles.
Thunder Bay to Winnipeg.....	425
Kamloops to Port Moody.....	220
Pembina Branch.....	65
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CHARACTER OF THE LINE.

The entire line is to be laid with steel rails of the best quality, and all important structures are to be of a permanent character. Care has been taken to secure the lightest possible gradients, those on the line from Winnipeg to Thunder Bay being only 26 feet to the mile: in this respect the Canadian Pacific will compare most favorably with all other trans-continental lines.

It is also to be noted that the entire mountain section on the Canadian Pacific Railway is embraced within a distance of about 600 miles, whereas that of the Union Pacific, covers a distance of 1250 miles, and at a much higher elevation. Ample provision has been made against trouble from snow on the Prairie section, by making the road-bed sufficiently high to almost entirely avoid cuttings.

CHARACTER OF THE COUNTRY TRAVERSED.

The greater portion of the road south and east of Lake Nipissing traverses an old and well developed country, commanding the immense lumber traffic of the upper Ottawa Valley.

From Callander westwards, and throughout the whole of the Lake Superior section, the road runs through forests of valuable timber, which will furnish fuel, and lumber for building purposes to settlers in the prairie section; and passes through most valuable mineral lands, abounding in silver, iron and copper ore.

The 800 miles of road west of the Red River runs through one of the finest agricultural countries in the world, the settlement of which has been hitherto impeded by the want of railway facilities, but is now making rapid progress. It is estimated that 20,000 immigrants have arrived in the North-West during the past season. The country is a gently undulating prairie, well watered throughout. Wood is plentiful along the streams, and the soil is uniformly deep and rich, and fully equal to the best agricultural lands in any part of the United States. Practical farmers reckon a moderate average crop at 28 bushels wheat, 49 barley, and 56 oats per acre. The wheat commonly grown, and known as "No. 1 hard," commands a higher price than the ordinary quality of wheat. The soil is also exceptionally favorable to the growth of potatoes, turnips, etc.

Independent testimony to the agricultural capacity of the country will be found in the reports of the tenant farmers from the Old Country who visited the North-West two years ago, as well as in the letters of the Special Correspondents who accompanied the Governor-General of Canada on his recent Western tour.

The mean annual temperature of Winnipeg does not differ materially from that of Chicago, St. Paul or Montreal, and the air is pure and dry.

On the Western Section of the line, that part between the Rocky and Cascade Mountains has not been thoroughly explored, but coal is known to exist there, and the mountains may be found rich in gold and other precious metals.

On the Pacific Slope, immense forests of valuable timber and extensive coal fields are known to exist.

TRAFFIC.

With all the advantages it will possess of less mileage, easier grades, of using its own rails from ocean to ocean, and probably free from bonded debt, the Canadian Pacific Railway will be in a position to command its full share of the traffic from China and Japan, which is now carried by the Union and Central Pacific, as well as that of the Pacific Coast as far south as San Francisco.

As to the local traffic to be developed along the line, there is no good reason to doubt that the earnings of the entire road, as the country becomes settled will be as good as those of roads in the United States similarly situated. The gross earnings of the following roads for the nine months ending 30th September were—

On the Chicago & North-Western.....	\$5,561	per mile.
On the Chicago, Milwaukee & St. Paul.....	3,737	"
On the Central Pacific.....	6,304	"
On the Union Pacific.....	5,506	"
On the Northern Pacific (incomplete)	3,271	"

And on the portion of road operated by the Company in the North-West, since May 1st last, the total gross earnings for the six months ending 31st October, were \$424,000

To encourage the rapid settlement of the country, the Canadian Pacific Railway Co., have adopted a policy calculated in its judgment to attract immigrants to the North-West, by offering its lands to settlers for \$2.50 per acre, with a rebate of one-half this sum on all lands cultivated within four years. The applications for land this summer from private settlers amounted to about 360,000 acres, and negotiations are now progressing with several Land and Emigration Companies in Europe, and Canada, involving a total of nearly three million acres.

The Directors, whilst not under-estimating the many difficulties to be overcome, have the utmost confidence in the rapid settlement of the country, and in the success of the Canadian Pacific Railway as a commercial, as well as a national enterprise.

GEORGE STEPHEN,

President,

CANADIAN PACIFIC RAILWAY COMPANY.

MONTREAL, 21st Nov., 1881.

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